

An aerial photograph of a long, straight road or bridge crossing a body of water. The road is paved and has multiple lanes with white dashed lines. It is flanked by a railing and runs parallel to the water's surface. The water is a deep teal color with some ripples. The sky is not visible.

endúr.

Endúr ASA

Transaction announcement

10 February 2025

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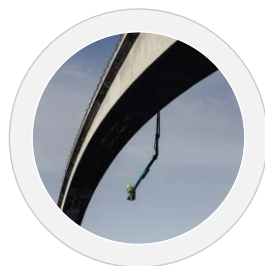
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Acquisition of Totalbetong Group set to further enhance Endúr's strong development



Landmark acquisition of Totalbetong Group

Endúr has entered into agreements to acquire Total Betong, IGANG Totalentreprenør, HAB Construction, and ProPoint Survey (together "Totalbetong Group"), at an Enterprise Value (EV) of NOK 1 057 million (all companies valued on a 100% basis), excluding leasing liabilities. This reflects an implied EV/EBITA multiple of 7.8x based on 2024 estimates.



Creating a leading industrial contractor

Totalbetong Group aligns seamlessly with Endúr's business segments, strengthening its presence in key construction and infrastructure markets. Additionally, its complementary aquaculture products enable Endúr to offer complete solutions for land-based facilities



Combined entity with highly attractive profile

Based on estimated 2024 figures, the acquisition is expected to contribute approximately NOK 2 750 million in revenues (+ ~100%), NOK 135 million in EBITA (+ 70%), and add NOK 6 billion to the order backlog, bringing the total backlog to NOK 9.3 billion



Accretive acquisition terms

While Totalbetong Group is acquired at accretive terms based on 2024 financials, its significant backlog is expected to drive both short- and long-term growth, making the acquisition accretive on future financials as well



Debt financing in place

A term loan of NOK 350 million, drawing on the company's refinancing offer from its existing bank syndicate (Sparebank 1 Sør-Norge and Sparebank 1 SMN) as announced on 29 January 2025, will partly finance the acquisition of Totalbetong Group

Totalbetong Group – a leading general contractor with multidisciplinary services

Business highlights

Leading general contractor:

Totalbetong Group was established in 2018, and has grown to become one of the leading general contractor groups in Norway positioned in market segments with favorable outlook

Four operating companies that fit neatly into Endúr:

Totalbetong Group consists of four operating companies, including Total Betong, HAB construction, IGANG Totalentreprenør and ProPoint Survey

Strong track record and significant pipeline:

Impressive project deliveries with a diversified and robust customer base. Demonstrated strong and profitable organic growth with a gross pipeline of ~NOK 12.6bn

Norway focused:

Headquartered at Bryne and Lysaker, and with ~320 employees across five Norwegian offices, the operating companies deliver on projects throughout the Norwegian market

Highly meaningful addition for Endúr:

Totalbetong Group has seen strong financial development since 2019 with a CAGR of ~20% and EBITDA margins in the range of 6-8%

NOK ~2.75bn
Revenue, 2024e

NOK ~135m
EBITDA, 2024e

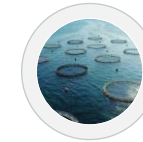
NOK ~6bn
Backlog, per
YE2024e

Overview of service offering



Concrete construction

Own concrete department that performs concrete work in all project classes



Aquaculture facilities

Provide turnkey solutions for land-based fish farming and advanced aquaculture systems



Infrastructure construction

Concrete work for both public and private clients



Commercial / residential

Project development from concept to completion for newbuilds and renovation



Technical surveillance

Setting out, surveying and planning, as well as land surveying using drones and 3D models



Advanced project management service

Incorporation of technologies into building and construction related installations

Totalbetong Group fits neatly into Endúr's business segments

Breakdown of Totalbetong Group

Total Betong

Rapidly growing general contractor delivering innovative solutions for both aquaculture facilities and other commercial projects

Revenue 2024e: ~NOK 1 525m

Selected customers



HAB Construction

A growing full-service contractor specializing in water, wastewater, and transportation infrastructure

Revenue 2024e: ~NOK 900m



IGANG Totalentreprenør

Manages turnkey projects in commercial and residential buildings for both private and public developers

Revenue 2024e: ~NOK 300m



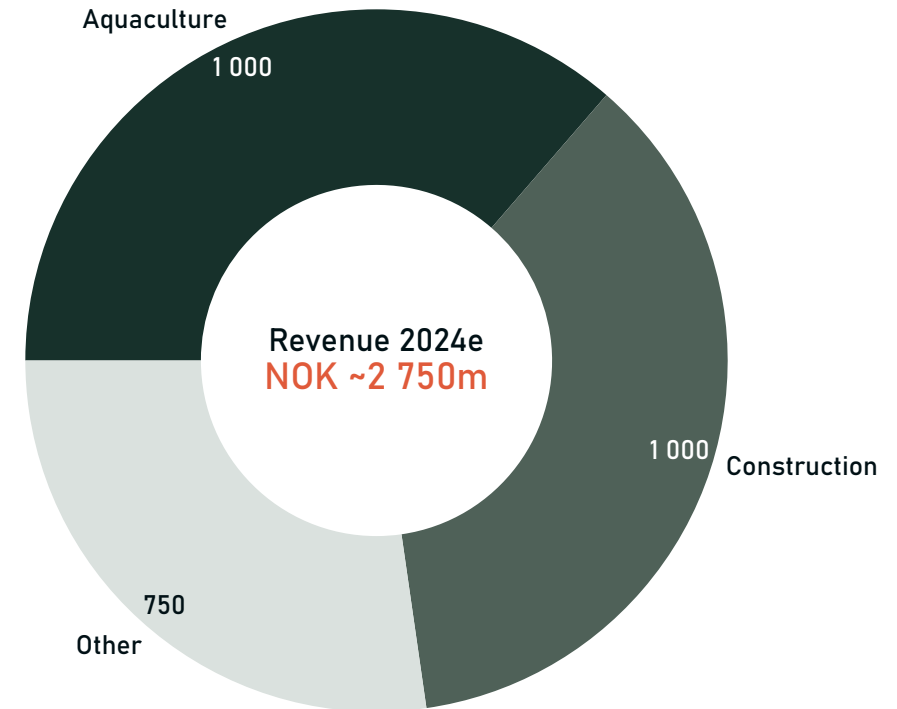
ProPoint Survey

Services in surveying, quantity calculation, drone operations, 3D scanning, and documentation for the construction and civil engineering industry

Revenue 2024e: ~NOK 25m



Totalbetong Group revenue breakdown per segment (NOKm)

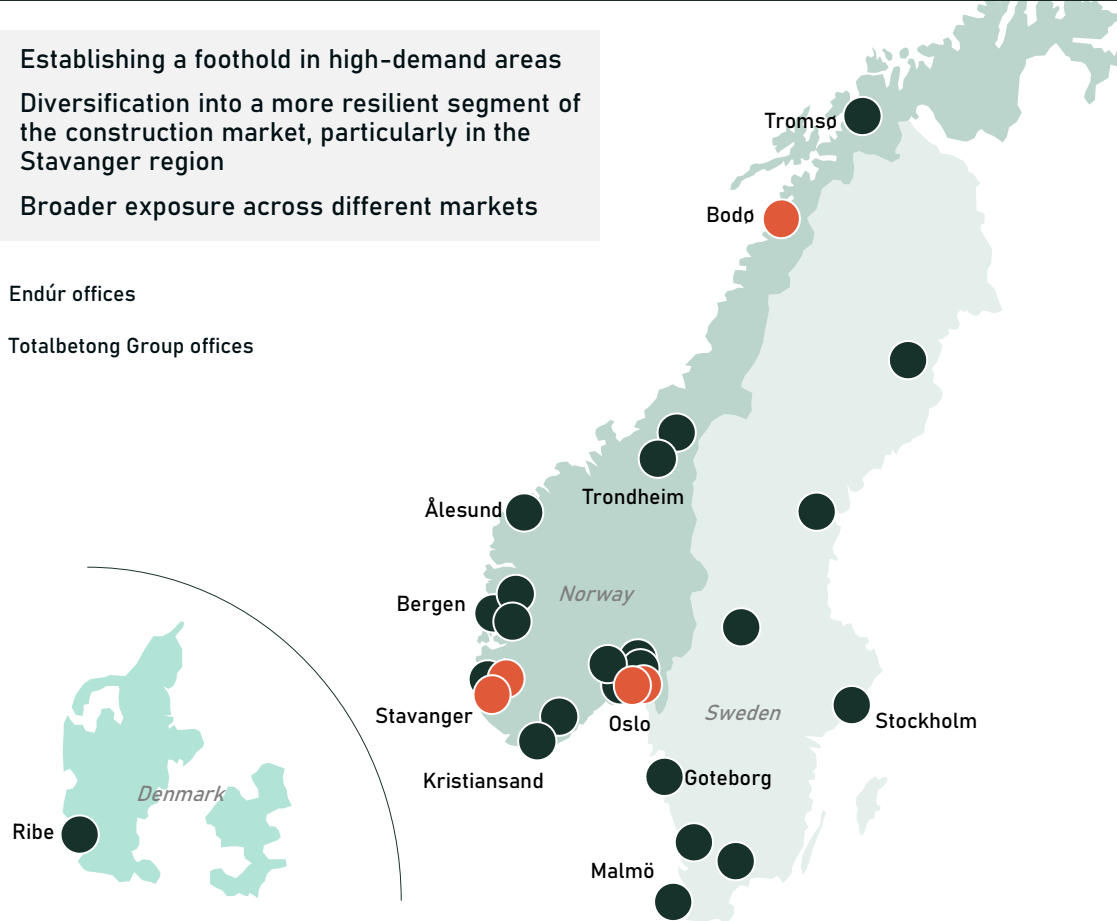


Creating a leading infrastructure and aquaculture contractor

Enlarging presence in high-demand construction and infrastructure areas

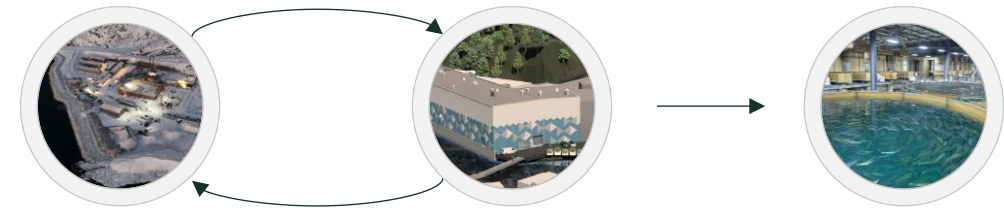
- Establishing a foothold in high-demand areas
- Diversification into a more resilient segment of the construction market, particularly in the Stavanger region
- Broader exposure across different markets

- Endúr offices
- Totalbetong Group offices



Source: Company information

Offering a complete package for land-based aquaculture facilities



Design

Project planning

Build

Endúr and Totalbetong Group:



Endúr and Totalbetong Group:



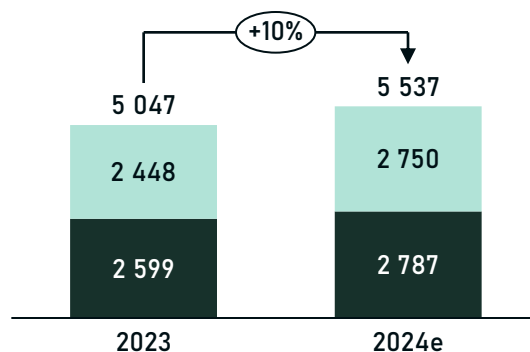
- Artec Aqua and VAQ can act as designers and planners for Totalbetong Group
- Artec Aqua, VAQ, and Totalbetong Group can collaborate to design, plan, and build land-based aquaculture facilities (involving external partners as needed)

Accretive transaction that strengthens key financial metrics

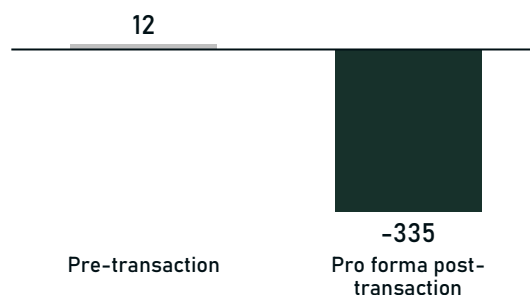
Comments

- Revenues doubled:**
 The acquisition of Totalbetong Group doubles the size of Endúr, while maintaining a highly robust EBITA margin
- Backlog nearly tripled:**
 Totalbetong Group significantly increases Endúr's order backlog, securing continued revenue growth for the years ahead
- Net working capital:**
 Totalbetong Group's estimated NWC stands at NOK -347m, and the transaction's equity bridge includes a significant NWC adjustment
- Net interest-bearing debt:**
 The transaction is partially financed with a NOK 350m term loan, while Totalbetong Group has a net cash position of NOK 90m. Additionally, an equity issue of minimum NOK 300m will add NOK 50m in cash. Resulting in a NIBD increase of NOK 210m post-transaction

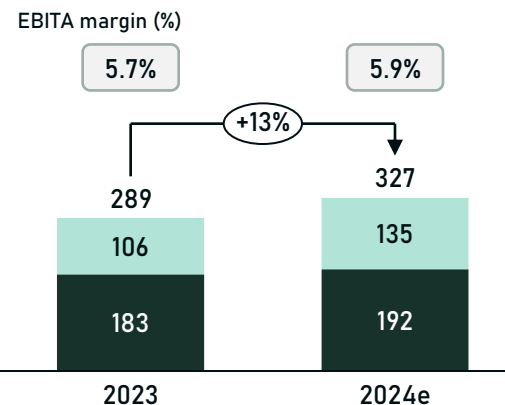
Pro forma revenue (NOKm)¹



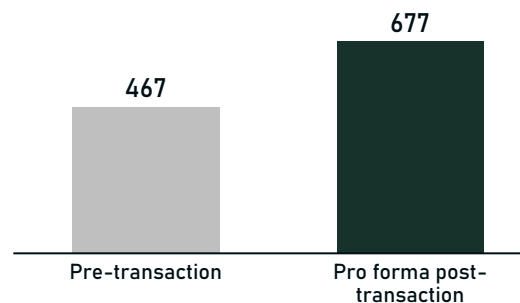
NWC (NOKm)²



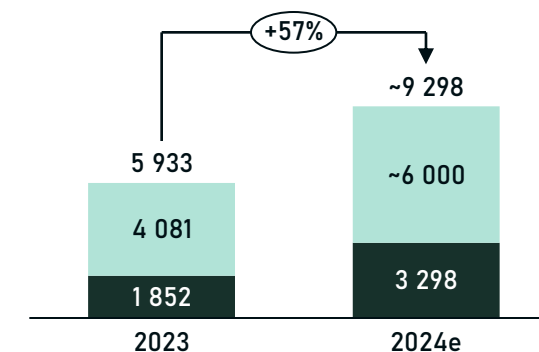
Pro forma EBITA (NOKm)¹



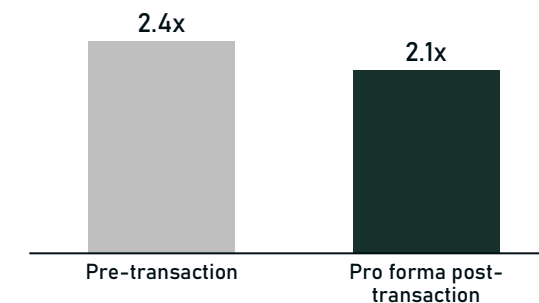
NIBD (NOKm)^{2,3}



Pro forma backlog (NOKm)

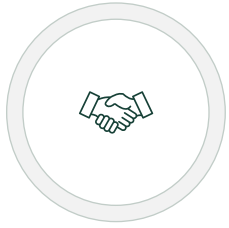


Leverage ratio (NIBD/EBITA)^{2,3}



Note: 1) Unaudited pro forma figures. Investors are cautioned not to place undue reliance on the pro forma financial information; 2) Based on Endúr's balance sheet as of 31.12.2024, while Totalbetong Group's figures are estimated figures at closing; 3) Excluding leasing liabilities and NOK 60m provision for Repstad earn-out | Source: Company information

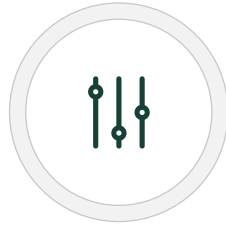
The transaction in brief



Transaction value

Endúr has entered into agreements to acquire Total Betong, IGANG Totalentreprenør, HAB Construction and ProPoint Survey, at an Enterprise Value (EV) of NOK 1 057 million (all companies valued on a 100% basis), excluding leasing liabilities.

Adjusting for NIBD and normalized NWC, Endúr will pay ~NOK 1 020 million (the “Transaction value”)



Implied valuation

The acquisition values Totalbetong Group at an implied EV/EBITA multiple of 7.8x (excluding leasing liabilities).

Enterprise Value adjusted for net working capital deductions implied Adjusted EV/EBITA 2024e multiple of 5.9x



Transaction structure

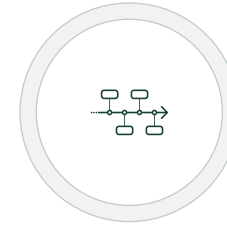
The Transaction Value will be financed through ~NOK 550m in consideration shares issued to the sellers, ~NOK 350m in debt and ~NOK 120m in cash.

The cash component will be partly financed through an equity issue of at least NOK 300m, which will also cover short-term net working capital needs, general corporate purposes and a buffer



Sellers' lock-up

The consideration shares will be subject to a lock-up period, with 1/3 of the shares released after 12, 24, and 36 months, respectively, and will be listed on Euronext Oslo Børs following approval and publication of a prospectus



Timeline

The transaction is expected to be completed by March/April 2025 and is subject to approval from the Norwegian Competition Authority (“Konkurransetilsynet”), EGM and certain other customary conditions

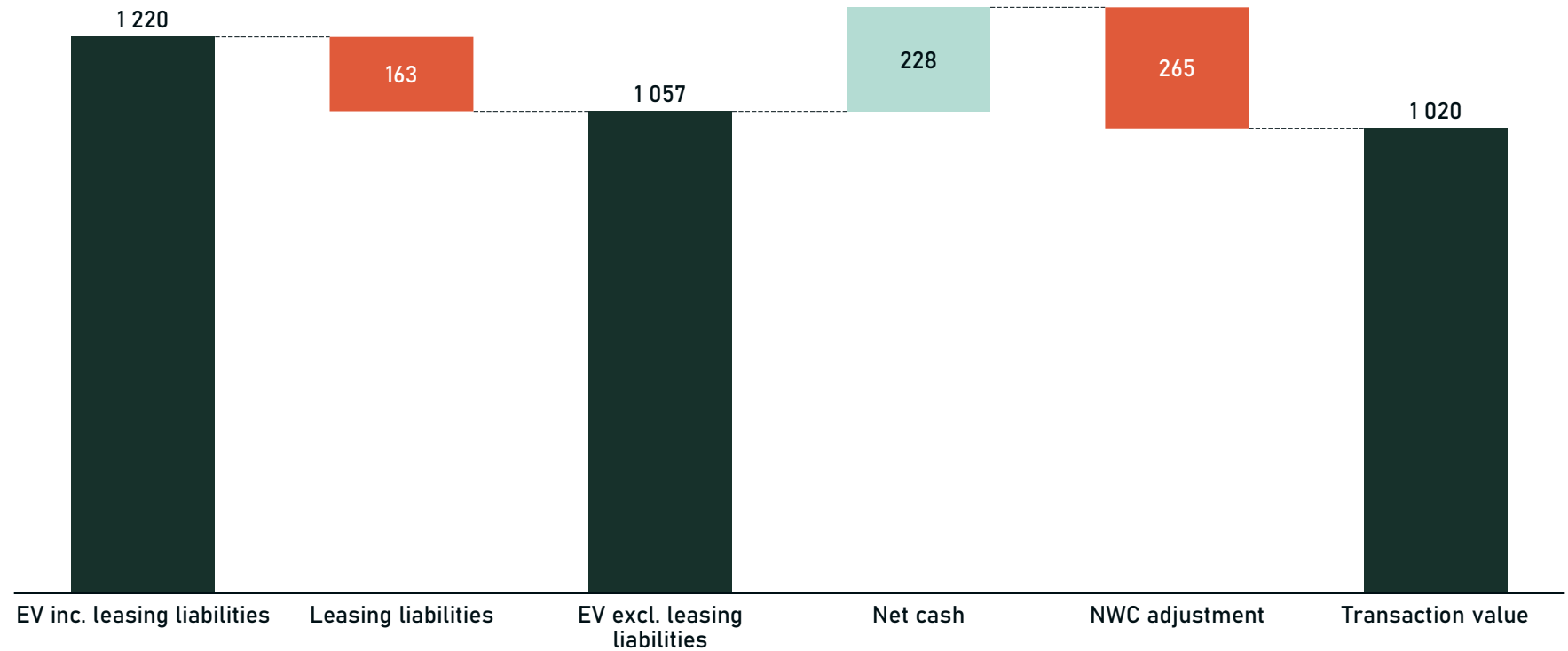


Breakdown of the Transaction Value

Comments

- The agreed Enterprise Value of Totalbetong Group, including leasing liabilities, is NOK 1 220 million on a 100% basis
- Leasing liabilities of NOK 163 million are associated with office, machinery, and equipment leases
- Cash position of NOK 228 million after netting out bank loans to be redeemed and dividends to sellers pre-closing
- Current net working capital (NWC) deviates significantly from the expected normalized level, resulting in an adjustment of NOK 265 million
- In total, the Transaction Value to be settled by Endúr amounts to NOK 1 020 million

Enterprise Value to Transaction Value bridge¹



Sources and uses

Comments

Partial cash settlement to the sellers:

Up to NOK 470 million in cash will be payable to the sellers of Totalbetong Group as part of the transaction.

Consideration shares:

As part of the transaction, NOK 550 million in consideration shares will be issued to the sellers of Totalbetong Group at a subscription price of NOK 75 per share

Net working capital (NWC) financing:

The short-term net working capital needs are tied to upcoming projects in Totalbetong Group, and payment of suppliers on active projects

Debt financing:

The acquisition will further be partly financed through a NOK 350 million term loan. The loan has a maturity of 3 years, with 1 + 1 year renewal options. It features an amortization profile of 10 years and is structured with the same covenants and terms as the recently announced refinancing offer on 29 January 2025

New equity issue:

In conjunction with the acquisition of Totalbetong Group, the company is considering an equity issue of at least NOK 300 million to partly finance the cash settlement, short-term net working capital needs, general corporate purposes and a buffer. Endúr has engaged Arctic Securities and Danske Bank as Joint Managers for the equity issue.

The equity issue will be fully underwritten by Kverva Finans AS at a subscription price of NOK 72 per share, against an underwriting commission of 3% payable in shares. The company is currently considering an equity issue which also opens for other investors, where it has been agreed that Kverva will receive a minimum allocation of NOK 250 million. The final sizing and timing of the equity issue is currently being considered by the company.

Sources and uses

NOKm



Summary



Creating a leading aquaculture and infrastructure contractor



Acquisition of Totalbetong Group doubles the size of Endúr (2024e)



Accretive EV/EBITA 2024e acquisition multiple of 7.8x



Adding a substantial NOK ~6bn backlog, expected to drive both short- and long-term growth, making the transaction accretive to future financials as well



Uniquely positioned to continue growth in the attractive Nordic construction market



endúr.